

**Senate Bill No. 1143**

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Passed the Senate      April 22, 2004

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*Secretary of the Senate*

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Passed the Assembly      June 21, 2004

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day of  
\_\_\_\_\_, 2004, at \_\_\_\_\_ o'clock \_\_M.

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*Private Secretary of the Governor*

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## CHAPTER \_\_\_\_\_

An act to amend and repeal Sections 15819.90 and 15819.95 of, and to repeal Sections 15819.80, 15819.85, and 15819.92 of, the Government Code, relating to veterans.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1143, Morrow. Veterans' homes: construction and funding.

Existing law authorizes the construction of the Veterans' Home of California at Barstow and appropriates funding for initial work associated with the Governor's Commission on a Southern California Veterans Home and Veteran Home Project Team. In addition, existing law allows construction of veterans' homes in southern California using revenue bonds.

This bill would delete sections of the Military and Veterans' Code relating to construction and appropriation of funds for the Veterans Home of California at Barstow and would also provide for the repeal of applicable sections relating to construction and funding upon completion and closure of the Chula Vista construction project.

*The people of the State of California do enact as follows:*

SECTION 1. Section 15819.80 of the Government Code is repealed.

SEC. 2. Section 15819.85 of the Government Code is repealed.

SEC. 3. Section 15819.90 of the Government Code is amended to read:

15819.90. (a) It is the intent of the Legislature to make an appropriation for three additional sites of the Southern California Veterans' Home, following construction of the veterans' home at Barstow, for a total of four sites.

(b) (1) (A) The board shall issue revenue bonds, negotiable notes, or negotiable bond anticipation notes pursuant to Chapter 5 (commencing with Section 15830) to finance the construction of an additional site of the Southern California Veterans' Home only in accordance with subparagraph (B).



(B) Authorization and bond issuance for the second site shall take place after the department certifies that the construction of the first site, the veterans' home at Barstow, has been completed and opened, and demonstrates to the State Public Works Board that the facility is fully operational and that there is a demonstrated demand for a second site.

(2) The second, third, and fourth sites shall be in addition to the first site located at Barstow.

(c) The amount of revenue bonds, negotiable notes, or negotiable bond anticipation notes to be sold pursuant to Chapter 5 (commencing with Section 15830) for capital outlay for this purpose shall not exceed the sum of twelve million dollars (\$12,000,000). This amount shall be available as necessary for the site studies, suitability reports, environmental studies, master planning, architectural programming, schematics, preliminary plans, working drawings, construction, and equipment of site two of the Southern California Veterans Home. These funds shall also be used for repayment of any loan made pursuant to former Section 15819.90, as added by Chapter 943 of the Statutes of 1995, for costs related to the first and second sites.

(d) In addition to the funds appropriated pursuant to subdivision (g), the sum of sixty-six million dollars (\$66,000,000) in federal matching funds available pursuant to the State Veterans' Home Assistance Improvement Act of 1977 (38 U.S.C.A. Sec. 8131 et seq.), is hereby appropriated to the board on behalf of the Department of Veterans Affairs for the purposes of construction or repayment of any loan related to the second, third, and fourth sites of the Southern California Veterans' Home. In the event that bonds are not issued or sold, any loans for the purposes of this section or former Section 15819.90, shall be repaid from the department's annual support appropriations.

(e) The amount of revenue bonds, negotiable notes, or negotiable bond anticipation notes to be sold shall equal the costs of performance of all functions referred to in subdivision (c), and any additional amounts, as specified in subdivision (h).

(f) The amount of negotiable bond anticipation notes to be sold pursuant to this section shall not exceed the amount of revenue bonds or negotiable notes authorized by this section.

(g) Notwithstanding Section 13340, funds derived for the purposes of this section from the financing methods of Chapter 5



(commencing with Section 15830) are hereby appropriated, without regard to fiscal year, to the board on behalf of the Department of Veterans Affairs for the construction or repayment of any loans related to the second site of the Southern California Veterans' Home.

(h) The State Public Works Board may borrow funds for all phases of the projects from the Pooled Money Investment Account pursuant to Sections 16212 and 16313, and any other legal fund sources.

(i) The board may authorize the augmentation of the cost of the construction of the sites set forth in this chapter pursuant to the board's authority under Section 13332.11. In addition, the board may authorize any additional amounts necessary to pay the costs of financing, including, but not limited to, the payment of interest during construction of the sites, any additional amount as may be authorized by the board to pay the cost of financing a reasonably required reserve fund, interest payable on any interim loan for the homes from the Pooled Money Investment Account pursuant to Section 16312, and the costs of issuance of permanent financing of the sites. Notwithstanding subdivision (d) of Section 13332.11, the board shall defer all augmentations in excess of 10 percent of the amount appropriated for each capital outlay project until the Legislature makes additional funds available for the specific project.

(j) The Department of Veterans Affairs is hereby authorized to enter into any lease agreement with the State Public Works Board necessary to achieve completion of the construction phase of the second, third, and fourth Southern California Veterans' Home project sites. The Director of Veterans Affairs shall notify the Chairperson of the Joint Legislative Budget Committee of the director's intention to execute any lease agreement authorized by this section at least 45 days prior to its execution.

(k) This section shall be repealed on January 1 following certification to the Public Works Board by the Secretary of the Department of Veterans Affairs, and with Department of Finance concurrence, that the construction project at Chula Vista is complete and that all accounting records are closed.

SEC. 4. Section 15819.92 of the Government Code is repealed.



SEC. 5. Section 15819.95 of the Government Code is amended to read:

15819.95. (a) The funds generated from the issuance of the bonds pursuant to Section 15819.90 shall be expended only upon receipt of the matching amount of federal funds from the United States Department of Veterans Affairs. The Director of Veterans Affairs shall notify the Chief Clerk of the Assembly, the Secretary of State, and the State Public Works Board in writing that the federal matching funds have been provided, and the Chief Clerk of the Assembly shall publish this notification in the Assembly Journal.

The total amount of federal matching funds to be received is twenty-two million dollars (\$22,000,000) for each of the second, third, and fourth sites, however, the entire amount does not need to be received prior to expenditure of the funds from the bond issuance authorized by Section 15819.90, if there has been a federal commitment to provide those matching funds. The board may allocate funds to the Department of Veterans Affairs for expenditures that are equal to a 35-percent portion of the total acquisition and construction costs.

(b) This section shall be repealed on January 1 following certification to the Public Works Board by the Secretary of the Department of Veterans Affairs, and with Department of Finance concurrence, that the construction project at Chula Vista is complete and that all accounting records are closed.



Approved \_\_\_\_\_, 2004

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*Governor*

